

Airports and economic development

Airports, aviation and industries related to aviation in Wisconsin have a profound impact on the quality of life and economic prosperity of the state. Airports and aviation create thousands of jobs and provide millions of dollars in sales and income each year.

Wisconsin's eight commercial service airports link residents and businesses to the rest of the nation and the world. These airports are important centers of economic activity, generating a large share of aviation's \$2.8 billion annual contribution to the state's economy.

Convenient access to airline passenger service, air cargo facilities and corporate aviation allows businesses to safely and efficiently move key personnel and products, saving valuable time and increasing productivity.

A study by the Wisconsin Department of Transportation (WisDOT) shows that between 1997 and 2001, over 85 percent of new or expanded manufacturing businesses were located within 15 miles of an airport capable of handling jet aircraft. These manufacturers provided 34,064 jobs for Wisconsin residents.



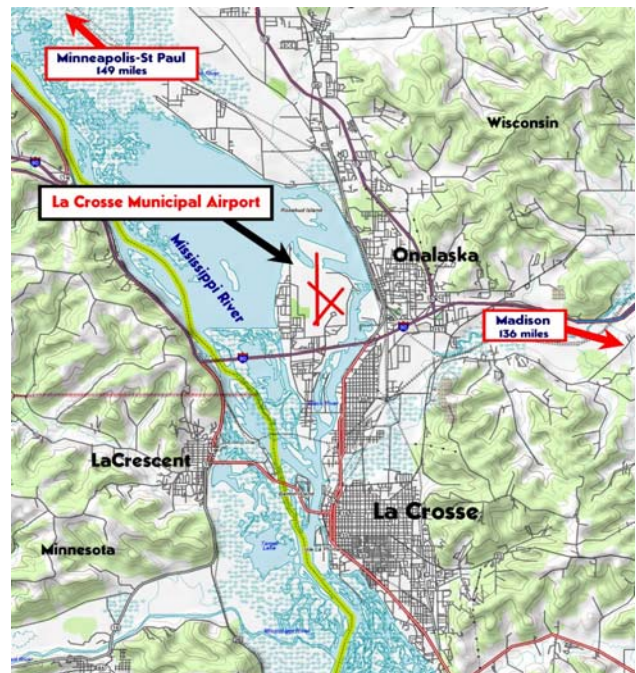
La Crosse Municipal Airport

Communities that are readily accessible by air transportation are at a competitive advantage and may realize economic and quality of life benefits that can affect every citizen.

As an integral part of our state transportation network, the La Crosse Municipal Airport plays a critical role in fostering business growth and economic development in the region.

Airport location

La Crosse Municipal Airport is located in the west-central region of Wisconsin, along the Mississippi River. The airport is located 4 miles from the business center of the city of La Crosse and 1.5 miles west of the business center of Onalaska, WI.



Map of La Crosse

Serving west-central Wisconsin as well as south-eastern Minnesota, and north-eastern Iowa counties, La Crosse Municipal Airport is a key ingredient to the region's strong economy and quality of life.

The airport provides a safe and convenient environment for commercial air passenger travel, business aviation, air cargo shipments and deliveries, and related business activities.

County economic profile

La Crosse County profile

Population (2004 estimate)

City of La Crosse – 51,507
La Crosse County – 109,616

Employment

La Crosse County - 60,846

Top 10 privately owned employers

Gundersen Lutheran Administrative
American Standard Inc.
Franciscan Skemp Medical Center Inc.
First Federal Capital Bank
KWIK Trip Inc.
Reinhart Foodservice Inc.
Wal-Mart Associates Inc.
Centurytel Service Group LLC
Northern Engraving Corp.
Bethany-St Joseph Corp.

Sources: U.S. Census Bureau and the WI Department of Workforce Development.

La Crosse County's strong mix of industries and educational facilities has created a stable economy with lower than average unemployment rates.

The area's largest industry category is educational services, followed by food services, hospitals, ambulatory health care services, and machinery manufacturing.

Airport services and activity

Owned and operated by the city of La Crosse, the airport is classified as a Primary Commercial Service airport in the FAA's *National Plan of Integrated Airport Systems (NPIAS)* and an Air Carrier/ Cargo airport in the *Wisconsin State Airport System Plan: 2020 (SASP)*.

Two major airlines (Northwest Airlines and American Eagle) provide nine daily departures, direct service to two cities, and connections to any destination in the world.

In 2004, the airport served over 122,000 passengers and recorded 44,000 aircraft operations. Eighty-eight aircraft are based at the airport. Eleven large corporate hangars and eight multi-aircraft T-hangars are also located on the airport property.

La Crosse Municipal Airport is also host to numerous support businesses such as a parking facility, car rental agencies, restaurant and lounge and gift shops.



Terminal area

Airport facilities

La Crosse Municipal Airport has three paved runways, associated taxiways, public apron areas, passenger terminal area, and one Fixed Base Operator (FBO).

The primary air carrier runway (18/36) is 8,537 feet long by 150 feet wide. The secondary runway (13/31) is 6,050 feet long and 150 feet wide. A third runway is 5,299 by 150 feet wide. Navigational aids include an instrument landing system, VOR/DME, PAPI, VASI, MALSR, and GPS approach.

The economic impact of La Crosse Municipal Airport

The WisDOT-Bureau of Aeronautics recently completed a study of the contribution of La Crosse Municipal Airport to the local and state economy.

The economic impact of La Crosse Municipal Airport is the *economic output (sales), employment and wage income* that can be attributed directly and indirectly to the airport.

Economic impacts measure the importance of an airport as a business in terms of the employment that it supports and the goods and services that it consumes.

The results of the study indicate that La Crosse Municipal Airport provided \$32.4 million in economic output, supported 376 jobs and contributed \$8.3 million in wage income to the local and state economy in 2004.

The methodology used to estimate the contribution of the airport to the local and state economy is the WisDOT Airport Benefit-Cost (ABC) System.



The WisDOT ABC System is a Microsoft Access database application for evaluating the economic impact of airports and airport improvement projects.

The WisDOT ABC System was developed based on guidelines established by the FAA in the document "*Estimating the Regional Economic Significance of Airports*", U.S. DOT, September 1992.

The WisDOT ABC System used data from the following three primary sources to estimate the economic impact of the airport to the local and state economy:

1. Airport activity and business survey data on jobs, income and sales at the airport.
2. Data from the *U.S. Bureau of Economic Analysis* on industry employment, wages and sales.
3. Regional economic multipliers obtained from the industry transaction tables in the Impact Analysis for Planning Model (IMPLAN) computer model.

IMPLAN is a computer model produced for WisDOT by the Minnesota IMPLAN Group. The model estimates purchases and sales between various sectors of the Wisconsin economy.

The model produces statewide multipliers as well as multipliers for specific counties and groups of counties. IMPLAN multipliers for two sectors in the La Crosse County economy were used in the analysis.

The regional economic multipliers used in this study for the *Air Transportation Sector* are 1.60 (sales), 2.3 (employment) and 2.25 (wages.) Multipliers used for the *Retail/Hotel/Restaurant Sector* are 1.50 (sales), 1.2 (employment) and 1.40 (wages.)

The economic contribution of La Crosse Municipal Airport is comprised of three types of impacts: *Direct Impact of the Airport*, *Direct Impact of Airport Users*, and *the Multiplier Impact*. Each of these effects is expressed in terms of their effect on economic output (sales), employment (jobs) and wage income.

Direct impacts of the airport

The direct impact of La Crosse Municipal Airport on the local economy reflects the jobs, payroll and sales directly related to airport operations. This includes the management and operation of the airport, commercial airlines, air terminal vendors, FAA air traffic control tower, as well as businesses providing aircraft maintenance, fueling, storage, rental, charter sales and leasing activities.

The direct effect of the airport on the La Crosse County economy in 2004 totaled 91 employees, a payroll of \$2.6 million and \$14.5 million in economic output.

Direct impacts of airport users

Visitor spending, or the direct impact of airport users, is the amount of money flowing into the local economy from air passengers who reside outside the county. These visitors spend money on lodging, meals, ground transportation and retail purchases within the county.

The \$3.6 million of air passenger spending in 2004 supported 99 additional jobs in La Crosse County with a payroll of \$1.3 million.

Multiplier impact

The multiplier impact considers the effect of two additional airport impacts on the region's economy. The first impact is the economic activity of local suppliers of goods and services to the airport and La Crosse County businesses that host air travelers (hotels, restaurants, entertainment establishments).

The multiplier impact also includes the re-spending of airport generated payroll and the payroll of businesses serving air visitors to La Crosse. These workers spend a significant portion of their income throughout the local economy. The IMPLAN multipliers were used to identify the extent of these impacts.

Employment (FTE jobs)

| | |
|-------------------------------|-----|
| Direct impact - airport | 91 |
| Direct impact - airport users | 99 |
| Multiplier impact | 141 |

Local employment impact 331 Jobs

Wage income/payroll

| | |
|-------------------------------|-------------|
| Direct impact - airport | \$2,639,000 |
| Direct impact - airport users | \$1,287,000 |
| Multiplier impact | \$3,887,500 |

Local payroll impact \$7,813,500

Economic output/sales

| | |
|-------------------------------|--------------|
| Direct impact - airport | \$14,469,000 |
| Direct impact - airport users | \$ 3,568,781 |
| Multiplier impact | \$10,506,000 |

Local economic output \$28,543,781



Other benefits

The study also measured public revenue generated at the local and state level from airport and aviation related fees.

In 2004 La Crosse Municipal Airport generated \$1.7 million in revenue from aircraft storage, agricultural leases, concession rents, landing fees and local taxes on privately owned property.

The airport also generated \$19,865 in state revenue from aircraft registration fees for a total of \$1.74 million in direct local and state public revenue.

Public revenue – direct impact

| La Crosse County | State | Total |
|---------------------|-----------------|--------------------|
| \$1,724,375 | \$19,865 | \$1,744,240 |

Local economic impact

The results of the study indicate that La Crosse Municipal Airport provided \$28.5 million in economic output, supported 331 jobs and contributed \$7.8 million in wage income to the local economy in La Crosse County.

Contribution of La Crosse Municipal Airport to the local economy

| FTE jobs | Wage income/ payroll | Economic output/sales |
|-------------|-------------------------|--------------------------|
| 331 | \$7,813,500 | \$28,543,781 |

Local and state economic impact

The activity at La Crosse Municipal Airport in 2004 also generated an additional \$3.8 million in sales, 45 jobs and \$477 thousand in payroll to the state economy.

When combined with the local impact, the total contribution of La Crosse Municipal Airport to the local and state economy in 2004 is \$32.4 million in sales, 376 jobs and \$8.3 million in wage income.

Contribution of La Crosse Municipal Airport to the local and state economy

| FTE jobs | Wage income/ payroll | Economic output/sales |
|-------------|-------------------------|--------------------------|
| 376 | \$8,290,704 | \$32,363,717 |

This report has identified and quantified the economic contribution of La Crosse Municipal Airport 's 2004 activity levels to both La Crosse County and the State of Wisconsin.



La Crosse Municipal Airport